

# US-Turkey Relations: CAATSA and Beyond

Eugene Kogan

US-Turkey relations have a history of challenges in general but with the ascent of Prime Minister Recep Tayyip Erdoğan in 2002, the challenges reached their peak with the failed coup of 15 July 2016 that Erdoğan blamed squarely on the US-based cleric, Fethullah Gulen.

By becoming the first elected executive President of Turkey, Erdoğan has also transformed Turkey from a secular, democratic and reliable Western allied regime guarding NATO's southeastern flank to an Islamic, nationalist and autocratic regime. Erdoğan's policy is undermining the foundation of US-Turkey relations. This article outlines three cases that highlight the undermining of this relationship.

## S-400 vs. F-35

Undoubtedly, Turkey's acquisition of the Russian S-400 air-defence system has severely harmed relations between the US and Turkey. What is often overlooked is that the purchase of the S-400 affects not just the US but also other NATO members and US coalition partners such as Australia, Israel, Japan, Singapore and South Korea which have all purchased the F-35 Joint Strike Fighter (JSF). As a result, the US views Erdoğan's unbending position as a betrayal of the North Atlantic Alliance plus the other allies' values of unity, cohesion and interoperability.

As a result, the US removed Turkey from the F-35 JSF Programme in July 2019. The Undersecretary of Defense for Acquisition, Ellen Lord, said at the time that "At this point, the Turks have made a decision. We have said that the F-35 and S-400 are incompatible. We will work forward at this point to unwind the relationship."

Furthermore, Erdoğan's firm position on standing up to the United States and activating and testing the system on 16 October 2020 has further accelerated



Photo: via author

***The US considers Turkish acquisition of the F-35 to be incompatible with parallel acquisition of the Russian S-400 air defence system.***

a rupture between the two countries. What is more, Ismail Demir, the head of Turkey's Presidency of Defence Industries (SSB), the country's defence procurement organisation, revealed on 8 June 2020 that the country was in discussions for the procurement of a second batch of S-400s with further discussions on joint production and a technology transfer to Turkey as part of the negotiations.

In October, Erdoğan said that the tests "Have been and are being conducted. Whatever your [namely the US] sanctions are, don't hold back." Therefore, Erdoğan threw down the gauntlet to President Trump.

The same month it was reported that the next military partner to receive the F-35 could be the Greek Air Force. What is more, the six F-35s that could be heading to Greece are the same aircraft that were originally destined for Turkey. That would represent a US snub to Erdoğan's Turkey and send a clear signal that such irresponsible behaviour on the part of Turkey would not go unpunished.

Finally, on 14 December 2020, the Trump administration imposed sanctions through CAATSA (Countering America's Adversaries Through Sanctions Act) on NATO ally Turkey over its purchase of the S-400. It should be stressed that it is the first time that CAATSA has been used to penalise a US ally [author's italics]. Matthew Palmer, a senior official at the State Department's Bureau of European and Eurasian Affairs said "Imposing sanctions on a NATO ally is not something we take lightly."

Under the sanctions, Washington is targeting the SSB. Blocking sanctions and visa restrictions through the Department of Treasury's Specially Designated Nationals and Blocked Persons (SDN) list were also announced against the SSB's president, Ismail Demir, and three other senior officials. Through the SDN listing, property and property interests within the US are blocked and US persons are generally prohibited from dealing with them.

The US has also initiated a ban on granting export licences for all goods or technology transfers to SSB, prohibiting loans

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Photo: Russian Presidential Executive Office



**Turkish President Erdoğan insists he was forced to purchase Putin's S-400 system after Washington refused to sell it the US Patriot system.**

to the SSB greater than US\$10M from a US financial institution in a 12-month period, a requirement for the US to oppose loans benefitting the SSB by international financial institutions, and a ban on support from the US Export-Import Bank for exports to the SSB.

Former US Secretary of State, Mike Pompeo, said in a statement, "Today's action sends a clear signal that the United States will fully implement CAATSA Section 231 and will not tolerate significant transactions with Russia's defence and intelligence sectors."

Apparently, President Erdoğan underestimated the reaction from the US, hoping that because of the strong rapport between him and President Trump, the US administration would not impose sanctions. Nevertheless, Turkey seems to be unwavering under the sanctions and is maintaining its course on keeping, deploying and discussing the procurement of a second batch of S-400s with Russia. This suggests that the tension between the two sides will continue to increase.

### The Return of the Prodigal Son

A number of options exist about how this might all eventually end up. The first one is the 'Return of the Prodigal Son'. In this scenario, President Erdoğan's administration transfers the S-400s from its territory to Azerbaijan, Pakistan, Qatar or Ukraine, and ends discussions with Russia for the procurement of a second batch of S-400s. It should be stressed that sanctions may also affect the aforementioned

countries if they were to agree to have the S-400s deployed on their territory. Therefore, this option looks very unrealistic.

The second option foresees giving a second chance to Erdoğan. The S-400s would be dismantled and put back in crates. This solution would require a joint Turkish-American control mechanism under US supervision. If the proposed control mechanism dissatisfied the Turks, the imposed sanctions would be reviewed with the coordination of other NATO allies six or 12 months after their imposition. After that, the Biden administration would need to decide upon the next step that may lead to a second review.

And finally, the imposition of further sanctions might be another option, albeit not a very promising one. If, however, after the second review, the position of Erdoğan's administration remains unchanged, further CAATSA sanctions would be imposed on Turkey. In other words, the US must exert pressure on Turkey.

### Justice has to be Served

An additional flashpoint between Washington and Ankara is the ongoing sanctions evasion case in the Southern District of New York (SDNY) against Halkbank, a public lender, majority-owned by the Turkish Government. When Biden was Vice President, Erdoğan reached out to him in the hope that the Obama administration would stop the investigation into the role that Turkey had played in Iran's sanctions evasion schemes. The effort

failed when Biden reminded his Turkish counterpart that "If a US President took legal matters into his own hands, he would be impeached for violating the separation of powers." In other words, the US justice system is independent from any interference and no plea of this kind would help. Furthermore, Biden's answer clearly showed Erdoğan the difference between the US justice system to that of Turkey's.

One possibility would be if Biden allowed the US justice system to run its course with potential convictions and fines that would not only hurt Turkey's ailing economy, but also US-Turkish relations. It is understandable, but justice has to be served whether we refer to the Turkish or any other government. Such a decision also sends a clear message to other governments that no lenience or cover-up from the US justice system can be expected.

### Rights and Freedoms

Finally, there are three foreign service national staff members to be considered, namely Turkish citizens working as US Consulate General employees who became targets of politically-motivated charges and a smear campaign. Since 2017, all three have been convicted on unsubstantiated terrorism charges, terminology that usually masks the real charges. Two of them remain imprisoned serving five-year and eight-year sentences, respectively. The third was released from house arrest in June 2019, but barred from leaving the country during his trial. Although Trump remained indifferent to their plight, Biden is likely to be more proactive in efforts to free them.

Without their release from prison, others who continue to work for the US Consulate General service will remain under the constant threat of being imprisoned, while those who are interested in working for the service may be reluctant to apply for positions as a result of these circumstances. Without the protection of the rights of Turkish citizens working as US consular employees, the image of the United States as a protector of rights and freedoms will be severely damaged.

In conclusion, the next two years will be of crucial importance in US-Turkey relations. The S-400 issue will hang over the relationship like a Sword of Damocles while two other flashpoints will demonstrate the Biden administration's willingness to resolve tricky issues without giving in to Erdoğan's demands. ■